

HIGHER EDUCATION SECTOR IN POLAND – ANALYSIS OF CONSOLIDATION PROCESSES

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Abstract

Background. Consolidation processes in the higher education sector, both public and private, are not very intensive. However, there is a large dispersion in the university sector. It can be argued that the number and intensity of consolidations will increase in the coming years. The reasons for the increase in the importance of consolidation can be seen in: progressive deprivatization of higher education in Poland, excessive institutional dispersion of the higher education system, demographic ‘tsunami’ and public policy, increasingly based on accountability. In the private sector, the merger reasons include in particular the increase in competitive pressure and demographic decline.

Research aims. The aim of the article is to analyze the processes of mergers of Polish universities and to identify possible forms of mergers for various types of universities.

Methodology. The methodology in the article below was based on qualitative research, analysis of the literature on the subject, internal materials of the studied entities.

Key findings. In the public sector, the wave of mergers is in the initial phase, as manifested by the last two acquisitions of the State Higher Vocational Schools (in Sandomierz and Sulechów) by regional universities. Large and often networked universities can take over selected smaller private entities and sometimes also a selected part of their resources.

Keywords: higher education sector, consolidation process, university management, merger, public and private universities.

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INTRODUCTION

Since 1990, the number of universities in Poland has increased dramatically, the number of students has also grown. Higher education has become a pass to professional career. At the same time, it lost its elite and intellectual character characteristic of the times of the Polish People's Republic. Higher education has become a professional vocational education. The role of education and a positive assessment of the Polish society's aspirations are reflected in the majority of official documents of the education authorities of the Republic of Poland (Hall, 2007). Since 1990, a significant development of academic centers has been observed in Poland, which is manifested in the form of:

- increase in the number of universities,
- increase in the gross and net scholarization ratio,
- increase in the number of university students,
- increase in the number of majors and specializations at universities.

A very large dispersion in the education sector is an essential factor in the consolidation of public and private higher education institutions (Seliga, Sułkowski & Woźniak, 2019). In 1990, there were 112 public universities and in 2017 the number rose up to 132. Another dispersion factor in the public sector is also a relatively large number of specialized universities in the higher education system, as presented in Figure 1.

In the Polish private university sector, there were about 300 universities (providing education to 30% of all students) in the peak period. The rapid development of universities resulted primarily from the increase in demand for higher education in the last quarter of a century in Poland. However, the total demand for higher education in Poland has been gradually decreasing since 2009. The causes of this process include a growing demographic decline as well as a relatively high scholarization indicator in the group of young people. In the last 5 years, the number of private universities has decreased by 46, and another 65 are in liquidation (Figure 2). Consolidation processes in the private sector are carried out on market principles and have a much larger scale as compared to the public sector. In addition, a significant part of universities collapsed or are being liquidated, while the remaining ones have been taken over by larger educational entities.

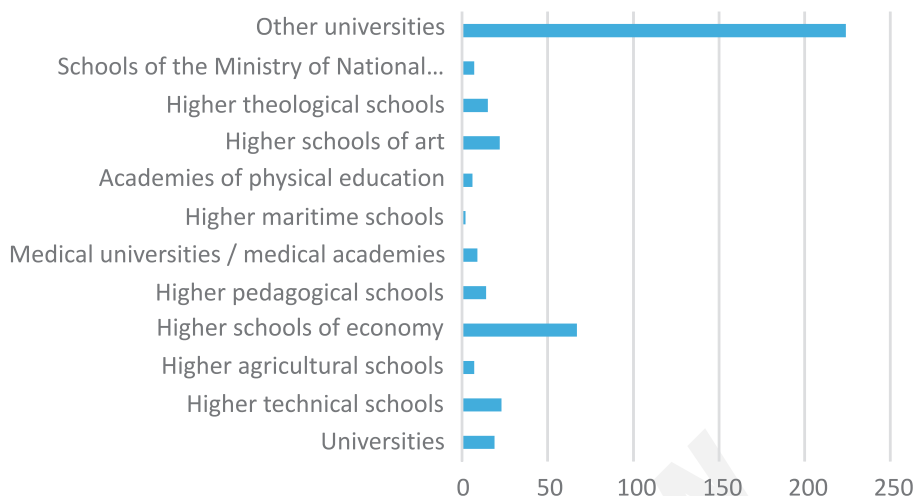


Figure 1. Number of universities in Poland by their type in the academic year 2015/2016

Source: Central Statistical Office (GUS), 2016.

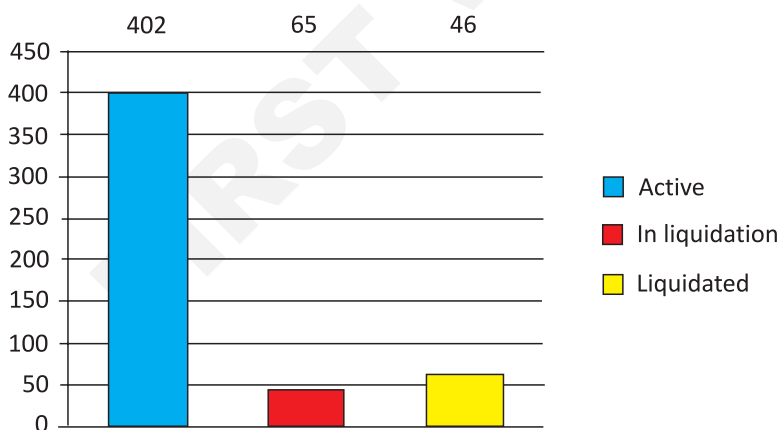


Figure 2. Number of universities in Poland in 2017

Source: author's own elaboration based on the register of higher education institutions in the POL-on system.

The inclusion of the Medical Academy in Cracow in the structure of the Jagiellonian University can be considered a successful example of university consolidation in Poland. Other examples of public school mergers are:

- the Academy of Agriculture and Technology with the Higher School of Pedagogy and the Warmian Theological Institute in Olsztyn,
- Higher School of Pedagogy in Zielona Góra with Zielona Góra University of Technology,
- Cardinal Stefan Wyszyński University with the School of Exact Sciences in Warsaw.

Among private universities, university mergers were carried out, among others, by: higher schools of banking and the Banking Education Society, the Academy of Humanities and Economics, the Vistula Group, the University of Social Sciences and other universities. Demographic trends and striving to improve the position of Polish science in the world should be factors in the development of consolidation processes in Poland in the coming years.

Trends in demographic changes in Poland

In most European Union countries there are problems of demographic decline, substitutability of generations as well as aging of societies. Problems occur in many universities, for example in Romania, Bulgaria, the Czech Republic or Slovakia. University consolidation processes have been carried out on a larger scale in many countries of Western Europe and in Hungary and Russia in Central and Eastern Europe. Polish higher education system is struggling in particular with the problem of the outflow of candidates in the last decade (Figure 3). This threat for universities can also be an opportunity to improve the quality of education and to depart from the mass education model.

Public policy towards science and education in Poland

In the world's literature on the subject, the view has been grounded for many decades that the quality of science and education system is the basic factor determining the competitive position of the country (Numprasertchai & Igel, 2005). In Poland, the awareness of this fact was quite limited, which results in relatively low expenditures for higher education and science as well as limited effects of structural reforms of the science and education system (Buchner-Jeziorska, 2016; Önsel et al., 2008). Many representatives of the world of

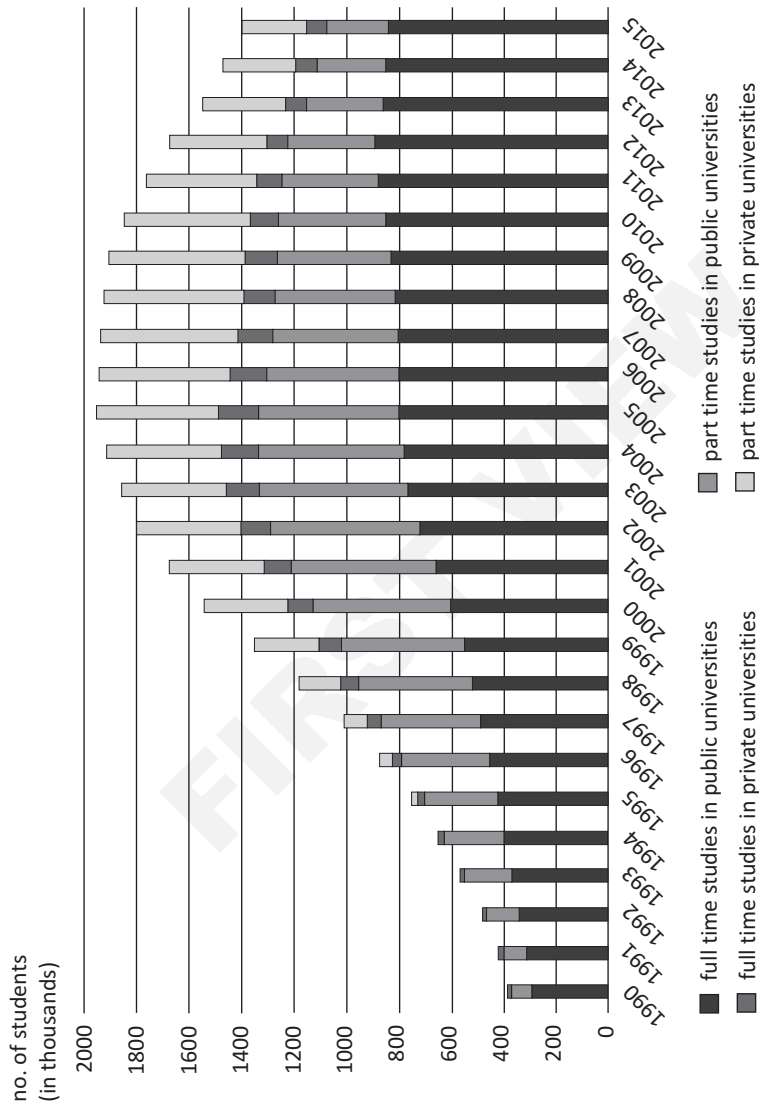


Figure 3. Number of students by type of university and form of study in years 1990–2015

Note: For the years 1990–2005 the category ‘part-time studies’ refers to weekend, evening and distance studies.

Source: Ministry of Science and Higher Education study based on Central Statistical Office (GUS), 2016.

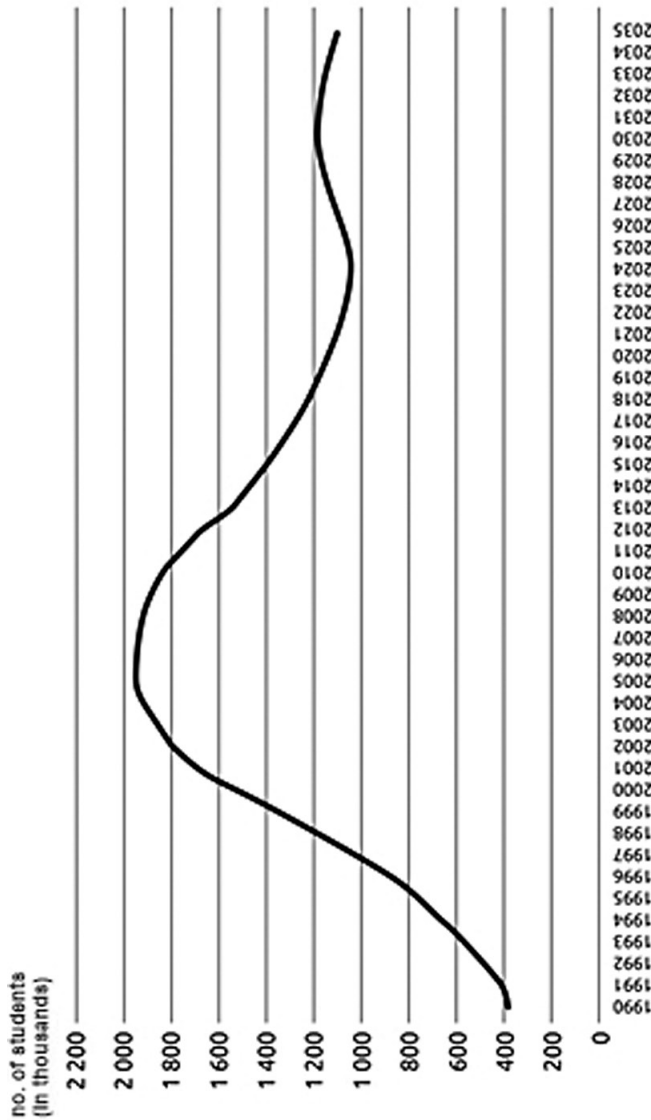


Figure 4. Forecast of changes in the number of students to 2035

Source: Ministry of Science and Higher Education study based on Central Statistical Office GUS, 2016.

science take the position that the progress in the restructuring of the higher education system in Poland is too slow to be able to speed up socio-economic development by improving the educational, research and implementation activities (Wawak, 2015). One of the ways of a radical reform may be to strengthen and stimulate consolidation and restructuring processes, by creating legal, financial and operational mechanisms that will help universities to undertake deep changes. The Ministry of Science and Higher Education in Poland is currently seeking to implement mechanisms that will stimulate universities to undertake consolidation processes (Gowin: *Konsolidacja...*, 2016). Currently, programs are being developed to create university unions and strategic alliances between strong universities in several regions of Poland. An instrument of pro-quality public policy in the higher education sector is the encouragement of universities to consolidate both through legal mechanisms (Act 2.0) and targeted support programs.

The Ministry was also the stimulator of two life-saving mergers that led to the inclusion of weak state-owned higher vocational schools in the structures of regional universities. The first university that used such a solution is the Jan Kochanowski University in Kielce, in relation with the inclusion of the State Higher Vocational School in Sandomierz in its structure in 2016 (Konferencja Programowa..., 2016.). The other consolidation is the take-over of the State Higher Vocational School in Sulechów to the University of Zielona Góra (Gowin: *Konsolidacja...*, 2017).

Motives of university consolidation processes in Poland

Numerous researchers are of the opinion that the Polish public higher education sector has matured to implement the wave of consolidation processes. The reasons include, among others:

- a) the effects of the decrease in demand for higher education, which results from the deepening demographic decline,
- b) the lack of an effective university management system,
- c) financial, organizational and staff destabilization of many private and some public schools,
- d) lowering the prestige of the academic profession and the attractiveness of the university as a place of employment,
- e) problems of many universities with students enrollment,

- f) an unreasonable education network, which is characterized, for example, by the duplication of programs of study in the region,
- g) declining position of the best Polish universities in international rankings,
- h) ineffective use of the didactic base and other university resources.

The wave of university consolidation of in Poland should constitute a deep, pro-quality transformation of the science and higher education sector in Poland. International experience shows that the changes can bring significant results in the long-term, between 5 and 10 years. The effects of consolidation in the higher education sector in Poland should be a fundamental change in the academic order (Sułkowski, 2016), structure of the science and higher education system. The most important designed transformations are presented in table 1.

Table 1. Designed transformations in higher education in Poland

Strengthening the bond with the environment through the development of innovations, implementations and effective forms of cooperation with enterprises
A break with the degradation of the quality of education and strengthening of pro-quality orientation in didactics
Change of the dispersed, ineffective structure of the Polish higher education system into a more concentrated one
Increasing the recognition of Polish universities and Poland in the world, among others through promotion to higher positions in international university rankings
Obtaining by the strategic, strongest universities a 'critical mass', which will allow to increase the quality, scale and scope of scientific research
Development of education networks of private and public universities in Poland, which have appropriate resources and standards for the implementation of their mission
Increased effectiveness of Polish universities by adapting to the new academic order (Act 2.0)
Obtaining by the majority of universities the effect of scale in organizational, didactic, scientific and implementation activities, allowing stable operation of the university in strategic periods
Increasing the quality, attractiveness and usefulness of education from the point of view of the labor market, students and graduates

Source: author's own elaboration.

Consolidations – the practice of Polish universities

The dynamics of changes in the Polish higher education system led to the separation of consolidation processes of universities. It should be noted that consolidation processes of Polish universities have been developing since the 1990s, although in the first two decades they were rather incidental. The increase in the importance of consolidation processes of private universities took place under the influence of increased competition. In the case of public universities, the consolidations were not intensive and were rather of positional, rarely strategic, and very sporadically life-saving nature. Table 2 presents selected mergers in Polish public higher education in the last 25 years.

Table 2. Selected mergers in Polish public higher education in the last 25 years

No.	Universities involved in the merger process	University after the merger	Year
1.	Jagiellonian University in Cracow Nicolaus Copernicus Academy of Medicine in Cracow	Jagiellonian University in Cracow	1993
2.	Higher Pedagogical College in Opole Theological-Pastoral Institute in Opole	University of Opole	1994
3.	Oczapowski Agricultural and Technical Academy in Olsztyn Higher Pedagogical School in Olsztyn Warmia Institute of Theology in Olsztyn	University of Warmia and Mazury	1999
4.	Higher Pedagogical School in Rzeszów Maria Curie Skłodowska University in Lublin, Rzeszów branch Kołłątaj Agricultural Academy in Cracow, Faculty of Economy in Rzeszów	University of Rzeszów	2001
5.	Kotarbiński Higher Pedagogical School in Zielona Góra Technical University of Zielona Góra	University of Zielona Góra	2001
6.	Cardinal Stefan Wyszyński University School of Exact Sciences in Warsaw	Cardinal Stefan Wyszyński University	2001
7.	Medical Academy in Łódź Military Medical Academy in Łódź	Medical University of Łódź	2002
8.	Nicolaus Copernicus University in Toruń Rydygier Medical Academy in Bydgoszcz	Nicolaus Copernicus University in Toruń	2004
9.	Technical University of Szczecin Agricultural Academy in Szczecin	West Pomeranian University of Technology	2009

Table 2. cd.

No.	Universities involved in the merger process	University after the merger	Year
10.	State Higher Vocational School in Gorzów Wielkopolski Higher School of Computer Studies in Gorzów Wielkopolski	State Higher Vocational School in Gorzów Wielkopolski	2009
11.	Jan Kochanowski University in Kielce State Higher Vocational School in Sandomierz	Jan Kochanowski University in Kielce	2016
12.	State Higher Vocational School in Sulechów	University of Zielona Góra	2017

Source: author's own elaboration based on: Zygarewski, 2011, pp. 216–217.

Over the past few years, consolidation has intensified through the implementation of several dozen mergers of private universities, which most often take the form of acquisitions. In the higher education sector there is an increase in competition, which is a typical phenomenon for sectors in the maturity phase. This will eliminate a large majority of private universities, many of which will be liquidated or taken over. Currently, more than a hundred of such schools (out of around 300) have been closed or are in the process of liquidation. Therefore, in the case of private universities, we face a market wave of mergers.

For more or less a decade the market of private education has been going through a wave of mergers that is directly related to the market situation. The change in the structure of private education leads to the development of about 10% of private universities operating at the beginning of the 21st century and the consolidation or liquidation of the remaining ones. Therefore, further consolidation of consolidation processes is likely to happen in the next few years. Examples of university consolidations are described in table 3.

Examples of the largest mergers and acquisitions in the private higher education sector in Poland are: the creation of the Vistula university group and the development of a holding of higher banking schools through the merger process. Consolidation processes take place in large academic centers, such as: Warsaw, Wrocław, Poznań, Łódź, but also in smaller cities, e.g. in Gorzów Wielkopolski and Tychy. An interesting example, which will be continued in other centers, are mixed consolidations, taking place between universities from the public and private sectors. In 2009, the public State Higher Vocational School

in Gorzów Wielkopolski absorbed, after obtaining the consent of the Ministry of Science and Higher Education, a private Higher Vocational School of Information Technology (Zygarłowski, 2015).

Table 3. Examples of consolidation of private universities

No.	Acquiring university	Acquired university	Year of consolidation
1	Wyższa Szkoła Biznesu – National Louis University in Nowy Sącz	Wyższa Szkoła Biznesu in Tarnów	2007
2	University of Information Technology and Management in Rzeszów	Higher Social and Economic School in Tyczyn	2008
3	Gdańsk Higher School of Humanities in Gdańsk	Baltic Higher School of Humanities in Koszalin	2010
4	Academy of Finance in Warsaw	Vistula University	2012
	Central School of Tourism and Recreation in Warsaw	Orłowicz Higher School of Tourism and Recreation	
	Central School of Tourism and Recreation in Warsaw (formerly: Higher School of Hotel Management, Gastronomy and Tourism in Warsaw)	Higher School of Tourism and Hotel Management in Łódź	
	WSB University in Wrocław	Higher School of Management and Finance in Wrocław	
5	Higher Banking School in Poznań	Higher School of Tourism and Economy in Szczecin	2012
6	University of Lower Silesia in Wrocław	Lower Silesia Higher School of Public Service 'ASESOR' in Wrocław	2013
	Bogdan Jański Higher School in Warsaw	Higher School of Management in Szczecin	
	Higher Banking School in Gdańsk	Higher School of Law and Diplomacy in Gdańsk	
	Higher Banking School in Poznań	Wielkopolska Higher School of Tourism and Management in Poznań	
	Modrzewski Academy in Cracow	Higher School of Management and Social Sciences in Tychy	
7	Helena Chodkowska Higher School of Management and Law	Higher School of Customs and Logistics in Warsaw	2014
	Higher Banking School in Poznań	Higher School of Technology and Life Sciences	
	Higher School of Economy and Humanities in Wrocław	Higher School of Technology in Wrocław	
8	University of Social Sciences	Bolesław Markowski Higher School of Commerce in Kielce	2016

Source: author's own elaboration based on: Zygarłowski, 2015, pp. 101–104.

RESULTS

It is also possible to differentiate mergers of private universities by the founding criterion. The most common variant of the merger is the change of the founder of the university, usually through the sale of the founder and merging with the university. Examples of mergers were, for example, the consolidations of: Higher School of Social Skills in Poznań with the Higher School of Applied Arts Schola Posnaniensis in Poznań and the University of Information Technology and Management in Rzeszów with the University of Social and Economic Sciences in Tyczyn. However, another option is also possible, namely the merger of universities with the same founder. There are two such cases: a consolidation of the Higher School of Management and Banking in Poznań with the Higher School of Management and Marketing in Wrocław and the WSB – National Louis University in Nowy Sącz with Higher School of Business in Tarnów (Zygarłowski, 2015).

The analysis of mergers in the public higher education sector in Poland shows four types of mergers that have taken place in this sector in recent years. The first type of mergers are strategic mergers – involving the combination of a large regional university with a medical school, which can lead to the development of world-class research centers. So far, the only merger of this type in Poland was the inclusion of the Medical Academy in Cracow to the Jagiellonian University and the Medical Academy in Bydgoszcz to the Nicolaus Copernicus University in Toruń. Another type of merger is a positional merger, it is the most common option of consolidation of public universities in Poland. This type means a merger of two or more public universities to establish institutions with the legal status of a university. Such processes took place in Opole, Olsztyn, Rzeszów and Zielona Góra. The third group of mergers are restructuring mergers which involve the implementation of a deep organizational transformation of the consolidated higher education institution. Restructuring is aimed at improving the efficiency of the university. This type of mergers can be found in Poland, an example being a mixed merger; the State Higher Vocational School in Gorzów Wielkopolski in 2009 absorbed the private Higher School of Computer Studies. The last group is made up of rescue mergers – when a weaker public or even a private

institution is taken over by a larger public entity. It allows to maintain an educational institution in a smaller center and to maintain the didactic or scientific achievements of a smaller university as part of a larger one. The consolidation of the State Higher Vocational School in Sandomierz with the Jan Kochanowski University in Kielce or the last incorporation of the State Higher Vocational School in Sulechów into the structures of the University of Zielona Góra can be examples of such mergers of public higher education institutions.

DISCUSSION

Mergers in the private education sector are the effect of the functioning of the market, they have different goals and take various forms. The purpose of consolidation is most often to achieve a more favorable market position by: increasing the scale and scope of operations, improving the economic and market results of combined schools, and restructuring the functioning of the consolidated university. From this point of view, potential examples of mergers of private universities that could achieve the strategic goals, e.g. obtaining the status of a university/academy or entering a given domestic market, can be indicated. Consolidations with positional goals that have been implemented in Poland lead to the strengthening of the market position by significantly broadening the offer or scale of operations. Restructuring mergers, which occur quite often in Poland, are usually takeovers of weaker universities, aimed at making internal organizational changes, allowing to improve unsatisfactory results of operations. In the case of rescue mergers, the takeover of a college at risk of collapse allows for the recovery, at least partially, of the accumulated resources. Examples of positional mergers in Poland were the creation of the Vistula university group, the takeover of universities by the Banking Education Society holding (higher banking schools) and the University of Social Sciences. The structure emerging as a result of the acquisition may take the form of a federation when the universities maintain organizational separation (higher banking schools, Vistula) or an integrated form, e.g. when they become faculties of the university (University of Social Sciences).

From the point of view of the managerial decision, almost all mergers of private universities are top-down and controlled, or at least

partially controlled. The case of Poland means rather homogenous mergers of private universities of a dual nature. Mergers of private higher education institutions may concern mergers of the universities themselves or the acquisition of the founding structure itself – both forms have been implemented in Poland.

CONCLUSIONS

In conclusion, it can be said that nowadays in Poland we are dealing with a combination of reasons strengthening the consolidation tendencies in the higher education sector. These include primarily the demographic situation, as well as the degree of dispersion and saturation of competition in the sector. It is also difficult to forecast a further increase in the scholarization rate, because – as international comparisons show – historical backlogs in Poland have been eliminated. It also seems that public policy is heading towards the development of universities with an appropriate ‘critical mass’ that allows the development of research and education. In particular, striving to strengthen the international competitiveness of Polish universities should stimulate the development of strategic mergers between universities with an established academic position.

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